

# REPORT FOR Q4 AND FULL-YEAR 2022



Record full-year earnings

January 27, 2023

**SSAB**

# Report for Q4 and full-year 2022

## The fourth quarter

- Revenue was SEK 30,138 (27,337) million
- Adjusted operating result was SEK 3,768 (6,961) million
- Adjusted earnings per share were SEK 3.18 (5.30)
- Goodwill impairment of SEK 33.3 billion, reported as an item affecting comparability
- Net cash was SEK 14.3 (2.3) billion
- The Board proposes a dividend of SEK 8.70 (5.25) and given SSAB's strong financial position, an authorization to buy back up to 10% of all outstanding SSAB shares will be proposed to the AGM

## Key figures

SEK millions	2022 Q4	2021 Q4	2022 Q3	2022 Full-year	2021 Full-year
Revenue	30,138	27,337	31,516	128,745	95,891
Adjusted EBITDA 1)	4,637	7,753	7,599	32,675	22,094
Adjusted operating result 1)	3,768	6,961	6,742	29,283	18,837
Operating result	-29,501	6,961	6,594	-4,355	18,837
Result before tax	-29,245	6,859	6,560	-4,641	18,416
Result for the period	-29,992	5,460	5,076	-10,877	14,673
Adjusted earnings per share (SEK) 1)	3.18	5.30	5.08	22.38	14.24
Earnings per share (SEK)	-29.13	5.30	4.93	-10.57	14.24
Operating cash flow	8,880	6,479	1,771	22,693	15,296
Net debt (+) / Net cash (-)	-14,287	-2,346	-8,739	-14,287	-2,346
Net debt/equity ratio (%)	-21	-3	-8	-21	-3

<sup>1)</sup> Adjusted operating result, adjusted EBITDA and adjusted earnings per share exclude items affecting comparability that mainly include impairment of goodwill of SEK 33.3 billion. For further information see page 25. (In the report, figures in parentheses refer to the same period for the previous year.)

## Comments by the CEO

**SSAB's adjusted operating result for the full-year 2022 was SEK 29.3 (18.8) billion, the highest in the company's history. For the fourth quarter, the adjusted operating result was SEK 3.8 (7.0) billion. The net cash flow was strong, SEK 6.7 billion for the quarter, supported by release of working capital. SSAB Europe adjusted production to a cautious European steel market and brought forward maintenance. SSAB consolidated its position as leader in the green transition in the steel industry by making significant progress in the development of fossil-free steelmaking during 2022 and by delivering around 500 tonnes of fossil-free steel to strategic customers.**

SSAB Special Steels had a planned maintenance outage during the fourth quarter and adjusted operating result was SEK 1,386 (1,540). The operating margin decreased to 16.6% (23.5%). SSAB Americas' adjusted operating result increased to SEK 2,726 (2,188) million and the operating margin rose to 36.1% (35.6%). SSAB's strategy with leading positions in special steel and US heavy plate compensated for a weak European market, which together with maintenance meant that SSAB Europe's adjusted operating result decreased to SEK -228 (3,301) million.

Safety performance continued to improve and Lost Time Injury Frequency (LTIF) decreased to 1.06 (1.80) during the full-year 2022.

The European market remained weak during the fourth quarter and SSAB adjusted production and brought forward maintenance of one of the blast furnaces in Raahe. The assessment is that the market has stabilized, although there is continued uncertainty, and SSAB re-started the blast furnace at the start of this year.

During the fourth quarter, SSAB made a goodwill impairment of SEK 33.3 billion, which includes all the goodwill related to the acquisitions of Ipsco and Rautaruukki, completed in 2007 and 2014, respectively. The impairment is reported as an item affecting comparability and did not impact the cash flow. The background of the impairment was increased interest rates and a more prudent method in the impairment test.

SSAB has a strong financial position and the Board proposes a dividend of SEK 8.70 (5.25) per share for the year ended 2022.

The Board will propose an authorization for a share buyback program to the AGM.

During 2022, SSAB made further progress on the journey towards fossil-free steelmaking. Feasibility studies for cost-effective mini-mills in Luleå and Raahe are ongoing and the joint venture Hybrit continued to develop the technology for fossil-free ironmaking using hydrogen. During the fourth quarter, SSAB became the only steel company to be included in the Dow Jones Sustainability Europe Index 2022.

## Outlook for the first quarter of 2023

There is continued uncertainty against a background of rising inflation and interest rates, among other things, as well as the risks of continued negative fallout from the war in Ukraine. The European market is assessed to have stabilized following the downturn during the second half of 2022. Demand on the heavy plate market in North America is expected to be relatively stable, even if prices have softened from high levels. Global demand for high-strength steel, which has been strong on many markets, has slowed somewhat, mainly in Europe.

SSAB Special Steels' shipments are assessed to be significantly higher than in the fourth quarter of 2022, which was negatively affected by a maintenance outage. Realized prices are estimated to be lower.

SSAB Europe's shipments are assessed to be significantly higher since the prior quarter was negatively affected by a maintenance outage and seasonality. Realized prices are expected to be lower during the first quarter of 2023 than in the fourth quarter of 2022.

SSAB Americas' shipments are assessed to be somewhat higher and prices are expected to be lower.

Raw material costs in the first quarter are largely expected to be relatively stable compared to the prior quarter. An upward turn in iron ore prices and also scrap metal prices in the USA will lead to higher costs during the first quarter of 2023, whereas coal costs are expected to be lower.

### Outlook for steel divisions

	Q1 2023 vs. Q4 2022	
	Shipments	Realized prices
SSAB Special Steels	Significantly higher	Lower
SSAB Europe	Significantly higher	Lower
SSAB Americas	Somewhat higher	Lower

Definitions: Significantly lower (>10 %), Lower (5-10 %), Somewhat lower (0-5 %), Stable (~0 %), Somewhat higher (0-5 %), Higher (5-10 %), Significantly higher (>10 %)

## Major planned maintenance outages 2023

The Group's total maintenance costs for the full-year 2023 are expected to be SEK 1,550 (1,540) million. The table below shows the expected costs of major planned maintenance outages for 2023 and the costs of outages completed during 2022 and 2021. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (underabsorption), but exclude lost margins.

### Expected maintenance costs for 2023

	2023	2023	2023	2023	2023	2022	2021
SEK millions	Q1	Q2	Q3	Q4	Full-year	Full-year	Full-year
SSAB Special Steels	-	-	275	400	675	490	590
SSAB Europe	-	-	350	200	550	655	430
SSAB Americas	-	-	175	150	325	395	250
<b>Total</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>750</b>	<b>1,550</b>	<b>1,540</b>	<b>1,270</b>

## The market during the fourth quarter

Demand for high-strength steel was weaker in Europe, but still less affected than standard products. Demand in most other markets was at a more stable level.

Demand for standard steel in Europe continued to be affected by caution and among other things distributors focused on decreasing inventories. The assessment is that this has resulted in a more balanced situation at the end of 2022. Import volumes into Europe were lower during the quarter. In North America, demand for heavy plate was good in several customer segments. Inventory levels at North American distributors were still low.

In Europe, the negative trend in market prices for steel ended in December and strip prices took an upward turn to reach the same level seen at the end of the third quarter of 2022. Heavy plate prices also rose somewhat in December.

In North America, the decrease in the market price for heavy plate continued, but prices still remained at a relatively high level. In China, market prices for strip and heavy plate showed the same pattern as in Europe and a minor upswing during the fourth quarter reversed the negative trend.

## SSAB Group – Fourth quarter of 2022

### Revenue and operating result

Revenue for the fourth quarter of 2022 was SEK 30,138 (27,337) million, up 10% compared to the corresponding quarter of 2021. Compared with the third quarter of 2022, revenue was down 4%.

Adjusted operating result was SEK 3,768 (6,961) million. The decrease compared to 2021 was explained by a weaker European market, which primarily affected SSAB Europe and Tibnor. Compared to the third quarter of 2022, adjusted operating result was down SEK 2,974 million.

### Revenue and adjusted operating result by business segment

SEK millions	Revenue			Adjusted operating result 1)		
	2022 Q4	2021 Q4	2022 Q3	2022 Q4	2021 Q4	2022 Q3
SSAB Special Steels	8,343	6,549	8,431	1,386	1,540	2,411
SSAB Europe	11,065	12,446	11,989	-228	3,301	1,447
SSAB Americas	7,554	6,153	8,302	2,726	2,188	3,036
Tibnor	3,784	3,443	3,594	-403	351	-176
Ruukki Construction	1,534	1,518	1,739	2	161	159
Other	-	-	-	311	-552	-104
Depr. surplus values	-	-	-	-27	-26	-30
Group adjustments	-2,143	-2,773	-2,539	-	-	-
<b>Total</b>	<b>30,138</b>	<b>27,337</b>	<b>31,516</b>	<b>3,768</b>	<b>6,961</b>	<b>6,742</b>

1) Excluding items affecting comparability. A goodwill impairment of SEK 33.3 billion was made in the fourth quarter 2022. The impairment is reported as an item affecting comparability and is not included in the above figures. For further information see page 25.

### Analysis of total change in revenue and adjusted operating result

	Revenue		Adjusted operating result		
	Change vs Q4 2021 %	Change vs Q3 2022 %		Change vs Q4 2021 SEK m	Change vs Q3 2022 SEK m
Volume	-6	3	Price and product mix	1,680	-2,375
Price	-	-9	Volume	-520	75
Product mix	-1	-2	Variable costs	-2,530	790
Currency effects	11	2	Fixed costs	-870	-850
Other sales	6	2	Currency effects	20	-65
			Capacity utilization	-970	-550
			Other	-3	1
<b>Total</b>	<b>10</b>	<b>-4</b>	<b>Total</b>	<b>-3,193</b>	<b>-2,974</b>

## Leading sustainability performance

SSAB's objective is to become the world's safest steel company and to achieve zero accidents and work-related injuries and illnesses. The lost time injury frequency resulting in an absence of at least one day (LTIF) was 1.06 (1.80) for 2022. Total recordable injury frequency (TRIF) was 7.70 (9.20).

Both energy use and carbon dioxide emissions decreased because of lower production. SSAB has hedged most of its electricity consumption in the Nordics. More information on SSAB's electricity consumption and hedging can be found in the Annual Report.

### Key sustainability figures – rolling 12 months

	2022 Full-year	2022 Q3	2022 Q2	2022 Q1	2021 Full-year
<b>Safety</b>					
Lost time injury frequency (LTIF) 1)	1.06	1.15	1.56	1.60	1.80
Total number of injuries (LTI) 2)	30	32	43	43	47
Total recordable injury frequency (TRIF)	7.70	8.68	8.94	8.90	9.20
<b>Environment</b>					
Energy consumption, GWh 3)	8,980	9,019	9,125	9,264	9,409
Energy intensity, kWh/tonnes crude steel	1,231	1,169	1,194	1,184	1,150
CO <sub>2</sub> e-emissions (Scope 1), thousand tonnes	9,626	10,161	10,088	10,393	10,629
Indirect CO <sub>2</sub> e-emissions (Scope 2), thousand tonnes	1,023	928	958	990	1,028
CO <sub>2</sub> e-intensity, tonnes of CO <sub>2</sub> e/tonnes crude steel 4)	1.46	1.44	1.44	1.45	1.43

1) Number of accidents resulting in an absence of more than one day per million working hours (LTIF, Lost Time Injury Frequency), own employees and contractors.

2) Number of accidents resulting in an absence of more than one day (LTIs, Lost Time Injuries), including contractors.

3) Total energy consumption (electricity, purchased fuels and purchased heat).

4) Includes Scope 1 and Scope 2.

## Transformation to fossil-free steel

During 2022, SSAB consolidated its position as leader in the green transition in the steel industry by taking significant steps in fossil-free steelmaking development. SSAB delivered around 500 tonnes of fossil-free steel to strategic customer segments such as Automotive, Heavy Transport and Construction Machinery. SSAB's transformation to fossil-free steelmaking in around 2030 continues and feasibility studies for the planned mini-mills in Luleå and Raahé are ongoing. The public consultation process for the plant in Luleå was launched during the fourth quarter. The transformation of SSAB's Nordic steel production will mean greater flexibility, shorter lead times and a virtual end to carbon dioxide emissions from our own operations.

The plan involves replacing the blast furnaces and coke plants with new integrated mini-mills with electric arc furnaces, rolling mills and further processing, which means that SSAB's Nordic plants will need an additional 3-4 TWh of fossil-free electricity around 2030. This can be compared with today's electricity consumption of around 1.5 TWh. SSAB's transformation will reduce Sweden's emissions of CO<sub>2</sub> by around 10% and Finland's by around 7%. Both scrap metal and fossil-free sponge iron can be used as a raw material in the new installations.

The HYBRIT demonstration plant in Gällivare, Sweden, which is planned to be on stream in 2026, will need around 5 TWh for the production of fossil-free sponge iron.

Further expansion of fossil-free sponge iron production, beyond the demonstration plant, will take place at a rate where competitive costs can be maintained, which among other things depends on how quickly new electricity production can be built in the Nordic countries and the development of more effective electrolysis plants.

It is key for there to be a level playing field across Europe regarding state aid for companies contributing to the climate transition and exploring new technology.

## Raw materials

SSAB sources iron ore primarily from LKAB in Sweden and prices vary depending on the market index. SSAB sources coking coal from Australia, the USA and Canada, usually on annual supply contracts with monthly prices. SSAB's mills in the USA use recycled steel material and source scrap metal on the spot market.

The table below shows SSAB's purchase prices. The lead time and payments terms for iron ore have a combined effect, which impacts the result after a lag of around one quarter, while coking coal has a lag of around one and a half quarters. Scrap purchase prices have a lag of around one month. Even if average purchase prices for iron ore and scrap metal decreased compared with the third quarter of 2022, they rose towards the end of 2022. At the same time, the purchased volume during the fourth quarter was lower than normal due to higher inventories at the start of the quarter. In total, this means that raw material costs are assessed to be relatively stable during the first quarter of 2023, compared to the previous quarter.

Change in SSAB's average purchase prices, fourth quarter of 2022

% change	Q4 2021		Q3 2022	
	USD	SEK	USD	SEK
Iron ore	0%	21%	-17%	-16%
Coking coal	17%	44%	-20%	-20%
Scrap metal	-30%	-15%	-9%	-8%

## Production and shipments

Production in the fourth quarter was affected by planned maintenance in SSAB Europe and SSAB Special Steels. The maintenance also impacted shipments negatively. In addition, primarily SSAB Europe's production and shipments were impacted by the lower demand.

Production and shipments

Thousand tonnes	2022 Q4	2021 Q4	2022 Q3	2022 Full-year	2021 Full-year
Crude steel production	1,641	2,066	1,916	7,293	8,179
Rolling production	1,505	1,818	1,672	6,727	7,568
Steel shipments	1,502	1,595	1,465	6,341	6,921

## Result for the period and earnings per share

The result for the period (attributable to shareholders in the parent company) was SEK -29,995 (5,458) million for the fourth quarter, equating to SEK -29.13 (5.30) per share, which includes the goodwill impairment of SEK 33.3 billion. Tax was SEK -746 (-1,399) million. Adjusted earnings per share amounted to SEK 3.18 (5.30).

## Cash flow

Operating cash flow for the fourth quarter amounted to SEK 8,880 (6,479) million, cash flow was positively impacted by a release of working capital. SSAB increased the inventories of raw materials during the first half of 2022, to prevent negative effects from disruptions and potential shortages in the supply chains, following Russia's invasion of Ukraine. The inventories could be reduced during the fourth quarter. A lower production rate reduced finished goods inventory.

Net cash flow amounted to SEK 6,687 (5,397) million. Net cash at December 31, 2022 was SEK 14,287 (2,346) million.

## Capital expenditure

Capital expenditure, including acquisitions and divestments of operations, totaled SEK 1,897 (1,358) million during the fourth quarter of 2022. Strategic investments were SEK 705 (309) million. The strategic investments primarily relate to Oxelösund for conversion to fossil-free steelmaking and to Mobile for increased capacity of Q&T products. Total maintenance and strategic expenditure is expected to be around SEK 5 billion for the full-year of 2023. The corresponding capital expenditure in 2022 was SEK 4.1 billion. The increase is mainly related to the ramp up of investments to convert Oxelösund.

## Major maintenance outages

The table below shows the major maintenance outages completed in 2022 and 2021. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (underabsorption), but exclude lost margins.

SEK millions	2022 Q1	2021 Q1	2022 Q2	2021 Q2	2022 Q3	2021 Q3	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
SSAB Special Steels	-	-	-	-	90	440	400	150	490	590
SSAB Europe	-	-	-	-	205	270	450	160	655	430
SSAB Americas	-	-	-	-	335	-	60	250	395	250
<b>Total</b>	-	-	-	-	<b>630</b>	<b>710</b>	<b>910</b>	<b>560</b>	<b>1,540</b>	<b>1,270</b>

## Assets with undeterminable useful life

Consolidated assets with undeterminable useful life are allocated to the Group's cash-generating units as reported in the table below:

Assets with an undeterminable useful life per cash-generating unit

SEK millions	2022 Dec 31	2021 Dec 31
SSAB Special Steels	-	16,464
SSAB Americas	-	11,119
SSAB Europe	-	2,130
Tibnor	31	523
Ruukki Construction	318	140
<b>Total goodwill</b>	<b>349</b>	<b>30,375</b>
Ruukki Construction (Rautaruukki tradename)	440	405
<b>Total assets with an undeterminable useful life</b>	<b>798</b>	<b>30,780</b>

Goodwill is tested for impairment annually at the end of the fourth quarter or if there is an indication of a decline in value. The goodwill items are primarily related to the acquisitions of Ipsco and Rautaruukki, which were completed in 2007 and 2014, respectively. The impairment test for 2022 resulted in a goodwill impairment of all the goodwill related to these acquisitions, in total SEK 33.3 billion. The impairment has been reported as an item affecting comparability and had no impact on the cash flow. The background of the impairment was increased interest rates and a more prudent method in the impairment test.



## Operating cash flow and net debt

	2022	2021	2022	2021
SEK millions	Q4	Q4	Full-year	Full-year
EBITDA	4,659	7,753	32,340	22,094
Change in working capital	4,921	-1,027	-8,279	-5,485
Maintenance capital expenditures	-1,018	-1,023	-2,196	-2,053
Other	317	776	828	741
<b>Operating cash flow</b>	<b>8,880</b>	<b>6,479</b>	<b>22,693</b>	<b>15,296</b>
Financial items	-1	-72	-17	-373
Taxes	-1,313	-644	-5,947	-1,357
<b>Cash flow from current operations</b>	<b>7,566</b>	<b>5,763</b>	<b>16,729</b>	<b>13,566</b>
Strategic expenditures in plants and machinery	-705	-309	-1,952	-835
Acquisitions of shares and operations	-174	-27	-616	-130
<b>Cash flow before dividend</b>	<b>6,687</b>	<b>5,427</b>	<b>14,161</b>	<b>12,602</b>
Dividend, Parent company's shareholders	-	-	-5,406	-
Dividend, non-controlling interest	-	-	-7	-9
Acquisitions of shares, non-controlling interest	-	-30	-	-157
<b>Net cash flow</b>	<b>6,687</b>	<b>5,397</b>	<b>8,748</b>	<b>12,436</b>
<b>Net cash (+) / Net debt (-) at beginning of period</b>	<b>8,739</b>	<b>-3,370</b>	<b>2,346</b>	<b>-10,278</b>
Net cash flow	6,687	5,397	8,748	12,436
Other 1)	-1,139	319	3,194	188
<b>Net cash (+) / Net debt (-) at the end of period</b>	<b>14,287</b>	<b>2,346</b>	<b>14,287</b>	<b>2,346</b>

1) Mainly valuation changes of derivatives and revaluations of other financial assets and liabilities in foreign currencies

## SSAB Group – Full-year summary

### Revenue and operating result

Revenue for the full-year 2022 was SEK 128,745 (95,891) million, up 34% compared to 2021.

Adjusted operating result was SEK 29,283 (18,837) million, up SEK 10,445 million compared to the full-year 2021.

### Revenue and adjusted operating result by business segment

SEK millions	Revenue			Adjusted operating result 1)		
	2022 Full-year	2021 Full-year	Change	2022 Full-year	2021 Full-year	Change
SSAB Special Steels	33,666	23,510	10,156	8,292	4,624	3,668
SSAB Europe	50,068	42,311	7,758	8,539	8,095	444
SSAB Americas	32,163	20,680	11,483	12,266	5,412	6,854
Tibnor	16,625	12,377	4,248	451	1,533	-1,082
Ruukki Construction	6,880	5,999	881	536	599	-64
Other	-	-	-	-688	-1,191	503
Depr. surplus values	-	-	-	-114	-235	122
Group adjustments	-10,658	-8,986	-1,672	-	-	-
<b>Total</b>	<b>128,745</b>	<b>95,891</b>	<b>32,853</b>	<b>29,283</b>	<b>18,837</b>	<b>10,445</b>

1) Excluding items affecting comparability. A goodwill impairment of SEK 33.3 billion was made in the fourth quarter 2022. The impairment is reported as an item affecting comparability and is not included in the above figures. For further information see page 25.

### Result for the period and earnings per share

Result for the period (attributable to shareholders in the parent company) for the full-year 2022 was SEK -10,886 (14,662) million, equating to SEK -10.57 (14.24) per share, which includes the goodwill impairment of SEK 33.3 billion. Tax was SEK -6,235 (-3,743) million. The adjusted earnings per share was SEK 22.38 (14.24).

### Cash flow, financing and liquidity

Operating cash flow for the full-year of 2022 increased to SEK 22,693 (15,296) million, primarily due to higher operating result.

Net cash flow, after dividends of SEK 5,406 (-) million, amounted to SEK 8,748 (12,436) million. Net cash at December 31, 2022 was SEK 14,287 (2,346) million.

The term to maturity of the total loan portfolio at December 31, 2022 averaged 5.7 (6.2) years, with an average fixed interest period of 0.9 (1.2) years.

Cash and cash equivalents were SEK 24,900 (13,796) million and non-utilized credit facilities were SEK 10,258 (8,605) million, which combined corresponds to 27% (23%) of full-year revenue.

### Return on capital employed

Return on capital employed for the full-year 2022 was -1% (27%) and return on equity was -12% (23%). The figures for 2022 includes the goodwill impairment of SEK 33.3 billion.

### Equity

With result for the period of SEK -10,886 (14,662) million and other comprehensive income (mostly consisting of translation differences) of SEK 9,898 (4,906) million, the parent company's shareholders' equity amounted to SEK 67,124 (73,477) million, equating to 65.18 (71.35) per share.

## Business segments – Fourth quarter of 2022

The information in the tables below excludes the depreciation/amortization on surplus values on tangible and intangible assets and excludes items affecting comparability.

### SSAB Special Steels

#### Fourth quarter in brief

- Planned maintenance outages and a weaker market in Europe
- Prices and product mix held up well
- Shipments decreased 13% to 305 (350) thousand tonnes
- Adjusted operating result was SEK 1,386 (1,540) millions

#### Key figures

SEK millions	2022 Q4	2021 Q4	2022 Q3	2022 Full-year	2021 Full-year
Revenue	8,343	6,549	8,431	33,666	23,510
Adjusted EBITDA	1,649	1,777	2,674	9,320	5,567
Adjusted operating result	1,386	1,540	2,411	8,292	4,624
Operating cash flow	2,184	1,055	132	5,044	3,916
Number of employees at end of period	4,072	3,922	4,040	4,072	3,922

Adjusted operating result excludes items affecting comparability and depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of IPSCO. Depreciation/amortization on surplus values during the fourth quarter was SEK 17 (17) million. A goodwill impairment of SEK 18,139 million was made in the fourth quarter 2022. The impairment is reported as an item affecting comparability and is not included in the above figures.

Thousand tonnes	2022 Q4	2021 Q4	2022 Q3	2022 Full-year	2021 Full-year
Crude steel production	453	545	592	2,309	2,312
Rolling production	358	351	430	1,667	1,667
Shipments	305	350	336	1,419	1,462

Comparable figures have been restated to reflect the move of the Mobile mill from SSAB Americas to SSAB Special Steels in the third quarter of 2021.

#### Market trend

Several customer segments continued to show good demand during the fourth quarter, for example in emerging markets. Good development was seen in Construction Machinery in, for example, Lifting (which includes mobile cranes). Stable demand was also seen in Material Handling, which includes mining related equipment. Demand in, for example, Heavy Transport was weaker and especially in Europe, where there was also a slowdown in other segments connected to the Construction segment.

#### Development compared to Q4/21

Production contracted, since the steel mill in Oxelösund underwent planned maintenance during the fourth quarter. In addition to the maintenance outage, a weaker European market also impacted and shipments of high-strength steel decreased to 305 (350) thousand tonnes. Revenue was up 27% compared to the fourth quarter of 2021 and amounted to SEK 8,343 (6,549) million. Higher prices contributed 20 percentage points, currency effects 12 percentage points, other revenue 7 percentage points and a better product mix 1 percentage point. Lower shipments had a negative impact of 13 percentage points.

Adjusted operating result was SEK 1,386 (1,540) million, down SEK 154 million compared to the fourth quarter of 2021. The maintenance outage with lower capacity utilization and lower shipments had a negative impact. Higher prices had a positive impact.

## Development compared to Q3/22

Production and shipments contracted compared to the third quarter of 2022, primarily because of the planned maintenance outage in Oxelösund. Revenue was down 1%. Lower shipments had an impact of 9 percentage points, which was partly offset by higher other revenue of 7 percentage points and positive currency effects of 1 percentage point.

Adjusted operating result was down SEK 1,025 million. The maintenance outage with lower capacity utilization and lower shipments had a negative impact.

## Cash flow and capital expenditure

Operating cash flow during the fourth quarter of 2022 was SEK 2,184 (1,055) million. The improvement was primarily due to the release of working capital. Inventories of both raw material and finished goods were reduced.

Capital expenditure during the fourth quarter was SEK 957 (502) million, of which SEK 515 (198) million were strategic investments.

## SSAB Europe

### Fourth quarter in brief

- Shipments decreased by 6% to 778 (832) thousand tonnes
- Focus on working capital release, shipments increased compared to previous quarter
- Weaker market with lower prices and planned maintenance of blast furnace in Raahe
- Adjusted operating result decreased to SEK -228 (3,301) million

### Key figures

SEK millions	2022 Q4	2021 Q4	2022 Q3	2022 Full-year	2021 Full-year
Revenue	11,065	12,446	11,989	50,068	42,311
Adjusted EBITDA	189	3,690	1,856	10,171	9,640
Adjusted operating result	-228	3,301	1,447	8,539	8,095
Operating cash flow	2,306	2,764	-743	6,239	5,893
Number of employees at end of period	6,682	6,705	6,664	6,682	6,705

Adjusted operating result excludes items affecting comparability and depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK 1 (1) million during the fourth quarter. A goodwill impairment of SEK 2,209 million was made in the fourth quarter 2022. The impairment is reported as an item affecting comparability and is not included in the above figures.

Thousand tonnes	2022 Q4	2021 Q4	2022 Q3	2022 Full-year	2021 Full-year
Crude steel production	905	1,193	1,068	3,911	4,635
Rolling production	873	1,163	1,010	4,040	4,741
Shipments	778	832	713	3,174	3,588

Production figures include high-strength steel made for SSAB Special Steels. These volumes are not included in SSAB Europe's shipments.

### Market trend

The market was cautious during the fourth quarter and the Construction segment in particular was weak. Some of the heavy plate segments such as Energy and Marine showed more positive development. Steel Service Centers focused on reducing inventories during the quarter and the assessment is that the situation became more balanced at the end of 2022.

During the fourth quarter, SSAB Europe adjusted production primarily by bringing forward maintenance of one of the blast furnaces in Raahe (annual capacity of 1.3 million tonnes), which provided for a decrease of

finished goods inventory. Maintenance work lasted around 6 weeks and the blast furnace was re-started in the beginning of 2023.

### Development compared to Q4/21

Rolling production and shipments were lower than last year due to a weaker market. Revenue was down 11% and amounted to SEK 11,065 (12,446) million. Lower prices decreased revenue by 9 percentage points and lower shipments by 6 percentage points. A less favorable product mix contributed with 1 percentage point whereas positive currency effects contributed with 5 percentage points.

Adjusted operating result for the fourth quarter of 2022 was SEK -228 (3,301) million, down SEK 3,529 million compared with the same quarter in 2021. Higher raw material costs and lower capacity utilization, due to more extensive maintenance had a negative impact. Lower steel prices and shipments also burdened the result.

### Development compared to Q3/22

Production was down compared to the prior quarter because of the maintenance outage and the focus on reducing finished goods inventory, whereas shipments increased. Revenue was down 8% due to lower prices and a less favorable product mix, which had a negative impact of 15 and 2 percentage points respectively. The share of spot orders of standard products increased during the quarter. Higher shipments increased revenue by 9 percentage points. Other revenue had a negative impact of 2 percentage points, whereas currency effects each had a positive impact of 2 percentage points.

Compared to the third quarter of 2022, adjusted operating result was down SEK 1,675 million. This was due to lower prices and more extensive maintenance, including one of the blast furnaces in Raahe.

### Cash flow and capital expenditure

Operating cash flow during the fourth quarter of 2022 was SEK 2,306 (2,764) million. Lower earnings had a negative impact, which was to a large extent compensated by the release of working capital.

Capital expenditure during the fourth quarter was SEK 604 (672) million, of which SEK 72 (68) million were strategic investments.

## SSAB Americas

### Fourth quarter in brief

- Continued good earnings development
- Shipments increased by 1% to 418 (413) thousand tonnes
- Adjusted operating result increased to SEK 2,726 (2,188) million
- Market prices decreased from high level

### Key figures

SEK millions	2022 Q4	2021 Q4	2022 Q3	2022 Full-year	2021 Full-year
Revenue	7,554	6,153	8,302	32,163	20,680
Adjusted EBITDA	2,782	2,235	3,089	12,474	5,587
Adjusted operating result	2,726	2,188	3,036	12,266	5,412
Operating cash flow	2,966	2,537	3,558	12,075	4,922
Number of employees at end of period	657	644	648	657	644

Adjusted operating result excludes items affecting comparability and depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of IPSCO. Depreciation/amortization on surplus values was SEK 1 (1) million during the fourth quarter. A goodwill impairment of SEK 12,401 million was made in the fourth quarter 2022. The impairment is reported as an item affecting comparability and is not included in the above figures.

Thousand tonnes					
Crude steel production	283	328	256	1,073	1,233
Rolling production	273	303	232	1,019	1,160
Shipments	418	413	416	1,748	1,871

Shipment figures include heavy plate made at SSAB Special Steels' steel mill in Mobile but sold by SSAB Americas. Comparable figures have been restated to reflect the move of the Mobile mill from SSAB Americas to SSAB Special Steels in the third quarter of 2021.

## Market trend

The market was relatively stable during the fourth quarter.

## Development compared to Q4/21

Production was somewhat lower, whereas shipments were somewhat higher. Revenue was up 23% and amounted to SEK 7,554 (6,153) million. Currency effects had a positive impact of 21 percentage points. Other revenue contributed positively with 2 percentage points and higher shipments 1 percentage point. Lower prices had an impact of 1 percentage point.

Adjusted operating result for the fourth quarter of 2022 was SEK 2,726 (2,188) million, up SEK 538 million. The increase was primarily explained by translation differences following a stronger USD against the SEK.

## Development compared to Q3/22

Production and shipments increased compared to the third quarter, which was affected by a maintenance outage. Revenue decreased by 9%. Lower prices had a negative impact of 10 percentage points, whereas currency effects had a positive impact of 1 percentage point.

Compared to the third quarter of 2022, adjusted operating result decreased by SEK 310 million. The decrease was explained primarily by lower prices, which were partly compensated by lower scrap metal prices.

## Cash flow and capital expenditure

Operating cash flow during the fourth quarter of 2022 was SEK 2,966 (2,537) million. Compared to the fourth quarter of 2021, cash flow was impacted positively by higher earnings.

Capital expenditure during the fourth quarter was SEK 90 (71) million, of which SEK 14 (5) million were strategic investments.

## Tibnor

### Fourth quarter in brief

- Weak demand and lower prices
- Operating result fell to SEK -403 (351) million
- Inventory losses due to the market downturn

### Key figures

SEK millions	2022 Q4	2021 Q4	2022 Q3	2022 Full-year	2021 Full-year
Revenue	3,784	3,443	3,594	16,625	12,377
Adjusted EBITDA	-361	390	-133	616	1,680
Adjusted operating result	-403	351	-176	451	1,533
Operating cash flow	775	19	-909	-386	500
Shipments, thousand tonnes	212	201	183	875	869
Number of employees at end of period	1,070	1,007	1,074	1,070	1,007

Adjusted operating result excludes items affecting comparability and depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK 4 (4) million during the fourth quarter. A goodwill impairment of SEK 542 million was made in the fourth quarter 2022. The impairment is reported as an item affecting comparability and is not included in the above figures.

## Market trend

Demand was cautious during the fourth quarter with low activity in a number of customer segments.

During the fourth quarter, Tibnor completed two minor acquisitions Askims Rostfria Stål and Imero Höglund, with a combined net sales of around SEK 130 million.

### Development compared to Q4/21

Revenue was up 10% compared with the fourth quarter of 2021 and amounted to SEK 3,784 (3,443) million, driven by higher shipments.

Adjusted operating result was down SEK 754 million compared with the same period a year earlier and amounted to SEK -403 (351) million. Inventory losses, due to the fall in steel prices during 2022, were the main reason for the decrease.

### Development compared to Q3/22

Revenue was up 5% compared with the third quarter of 2022 due to higher shipments.

Adjusted operating result was down SEK 227 million compared with the third quarter of 2022. The decrease was primarily due to inventory losses.

## Cash flow and capital expenditure

Operating cash flow during the fourth quarter of 2022 was SEK 775 (19) million. The increase is explained by a release of working capital.

Capital expenditure during the fourth quarter was SEK 87 (22) million, of which SEK 24 (3) million were strategic investments and SEK 36 million was related to the acquisitions of Askims Rostfria Stål and Imero Höglund AB. Tibnor acquired 100 % of the shares in both entities.

## Ruukki Construction

### Fourth quarter in brief

- Demand continued to be weak
- Operating result weakened to SEK 2 (161) million
- Strong cash flow supported by release of working capital

### Key figures

SEK millions	2022 Q4	2021 Q4	2022 Q3	2022 Full-year	2021 Full-year
Revenue	1,534	1,518	1,739	6,880	5,999
Adjusted EBITDA	56	202	206	734	762
Adjusted operating result	2	161	159	536	599
Operating cash flow	500	15	46	593	466
Number of employees at end of period	1,498	1,403	1,483	1,498	1,403

Adjusted operating result excludes items affecting comparability and depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK 3 (3) million during the fourth quarter.

## Market trend

Demand during the fourth quarter was seasonally weaker compared with the prior quarter and underlying demand has also weakened. Ruukki Construction has made adjustments in staffing in response to lower demand.

Ruukki Construction acquired roof and wall profile manufacturer Poimukate Oy during the fourth quarter. Poimukate has annual revenue of around EUR 7 million. In addition, 40 % of the roof installation company Eliittikatot Oy was acquired.

## Development compared to Q4/21

Revenue was up 1% and amounted to SEK 1,534 (1,518) million.

The adjusted operating result for the fourth quarter of 2022 decreased by SEK 159 million to SEK 2 (161) million, due primarily to weaker margins. The deterioration in margins, from a high level, was due to weaker demand.

## Development compared to Q3/22

Compared to the third quarter of 2022, revenue was down 12% and adjusted operating result was down SEK 157 million, primarily because of lower volumes and weaker margins.

## Cash flow and capital expenditure

Operating cash flow during the fourth quarter was SEK 500 (15) million. The improvement was related to released working capital.

Capital expenditure during the fourth quarter was SEK 221 (55) million, of which SEK 80 (35) million were strategic investments and SEK 118 million related to the acquisition of Poimukate Oy. Ruukki Construction acquired 100 % of the shares in the entity.



## Risks and uncertainty factors

The Russian invasion of Ukraine in February 2022 entails, among other things, the risk of disruptions in supply chains and/or higher purchase prices, including energy prices, as well as the risk of a general downturn in the economy. Russia and Ukraine normally export steel, slabs and various raw materials to Europe.

For information regarding other material risks and uncertainty factors, reference is made to the detailed description in the Annual Report 2021.

## Dividend and buyback of shares

The Board proposes a dividend of SEK 8.70 (5.25) per share for 2022 and April 20, 2023 as the record date. If the annual general meeting adopts the Board's proposal, the dividend is expected to be paid on April 25, 2023. The proposal will involve a payout totaling around SEK 9 billion to shareholders in the form of a cash dividend. The Board will propose an authorization concerning a program for the buyback of SSAB A and/or B shares. The number of shares that may be bought back will be limited up to 10% of the total number of shares outstanding. The purpose of the shares bought back is to cancel them and reduce SSAB's share capital.

## Annual general meeting

The annual general meeting will be held on April 18, 2023 in Oxelösund, Sweden. The Annual Report will be published in week 12 at the latest and will be available at the company's head office and on the SSAB website at [www.ssab.com](http://www.ssab.com).

## Affirmation

This interim report has not been reviewed by the auditors.

Stockholm, January 27, 2023

Martin Lindqvist  
President and CEO

## Financial reports – The Group

The figures in the tables have been rounded, which might affect aggregates

### Consolidated statement of profit and loss

SEK millions	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
Revenue	30,138	27,337	128,745	95,891
Cost of goods sold	-58,261	-18,934	-127,096	-72,425
<b>Gross profit</b>	<b>-28,123</b>	<b>8,403</b>	<b>1,649</b>	<b>23,466</b>
Selling and administrative costs	-1,477	-1,332	-5,565	-4,620
Other operating income and expenses	95	-59	-465	13
Affiliated companies, profit/loss after tax	4	-51	26	-22
<b>Operating result</b>	<b>-29,501</b>	<b>6,961</b>	<b>-4,355</b>	<b>18,837</b>
Financial items	256	-103	-286	-421
<b>Result before tax</b>	<b>-29,245</b>	<b>6,859</b>	<b>-4,641</b>	<b>18,416</b>
Tax	-746	-1,399	-6,235	-3,743
<b>Result for the period</b>	<b>-29,992</b>	<b>5,460</b>	<b>-10,877</b>	<b>14,673</b>
Of which attributable to:				
- Parent Company's shareholders	-29,995	5,458	-10,886	14,662
- Non-controlling interest	3	2	10	11

### Consolidated statement of comprehensive income

SEK millions	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
<b>Result for the period</b>	<b>-29,992</b>	<b>5,460</b>	<b>-10,877</b>	<b>14,673</b>
<i>Other comprehensive income</i>				
<b>Items that may be subsequently reclassified to the profit or loss</b>				
Translation differences for the period	-5,538	1,541	8,681	4,745
Translation differences due to hyperinflation after tax	15	-	25	-
Cash flow hedges	-642	88	1,033	348
Hedging of currency risks in foreign operations	371	1	371	-218
Tax on items that may be subsequently reclassified to the profit or loss	52	-18	-284	-25
<b>Total items that may be subsequently reclassified to the profit or loss</b>	<b>-5,742</b>	<b>1,612</b>	<b>9,826</b>	<b>4,850</b>
<b>Items that will not be reclassified to the profit or loss</b>				
Net defined benefit liability re-measurement	-114	-23	105	71
Tax on items that will not be reclassified to the profit or loss	15	7	-29	-12
<b>Total items that will not be reclassified to the profit or loss</b>	<b>-99</b>	<b>-16</b>	<b>77</b>	<b>59</b>
<b>Total other comprehensive income for the period, net after tax</b>	<b>-5,840</b>	<b>1,597</b>	<b>9,903</b>	<b>4,909</b>
<b>Total comprehensive income for the period</b>	<b>-35,832</b>	<b>7,055</b>	<b>-974</b>	<b>19,581</b>
Of which attributable to:				
- Parent Company's shareholders	-35,836	7,055	-988	19,568
- Non-controlling interest	4	0	14	13

## Consolidated statement of financial position

SEK millions	2022 Dec 31	2021 Dec 31
<b>Assets</b>		
Intangible assets	1,416	31,455
Tangible fixed assets	26,087	23,044
Right-of-use assets	2,326	2,457
Investments in affiliated companies and joint ventures	1,004	952
Deferred tax receivables	621	309
Financial assets	982	608
<b>Total non-current assets</b>	<b>32,436</b>	<b>58,824</b>
Inventories	37,907	25,599
Accounts receivable	12,048	10,870
Current tax receivables	205	452
Other current receivables 1)	2,214	2,479
Cash and cash equivalents	24,900	13,796
<b>Total current assets</b>	<b>77,275</b>	<b>53,195</b>
<b>Total assets</b>	<b>109,711</b>	<b>112,019</b>
<b>Equity and liabilities</b>		
Equity for the shareholders in the Parent Company	67,124	73,477
Non-controlling interest	66	31
<b>Total equity</b>	<b>67,191</b>	<b>73,508</b>
Deferred tax liabilities	3,115	1,476
Non-current provisions	550	632
Non-current interest-bearing liabilities	6,291	8,492
Non-current lease liabilities	1,813	1,920
Other non-current liabilities	204	218
<b>Total non-current liabilities</b>	<b>11,973</b>	<b>12,736</b>
Accounts payable	19,566	16,219
Current tax liabilities	805	1,662
Current interest-bearing liabilities	1,882	1,430
Current lease liabilities	691	670
Other current liabilities and provisions	7,602	5,795
<b>Total current liabilities</b>	<b>30,547</b>	<b>25,774</b>
<b>Total equity and liabilities</b>	<b>109,711</b>	<b>112,019</b>
Pledged assets	68	1,024
Contingent liabilities	5,228	3,640

1) Other current receivables comprise short-term bank deposits (escrow agreement) in the amount of SEK 30 (963) million.

## Consolidated statement of changes in equity

SEK millions	Equity attributable to the Parent Company's shareholder					Non-controlling interest	Total equity
	Share capital	Other contributed funds	Reserves	Retained earnings	Total equity		
<b>Total equity, Dec 31, 2020</b>	<b>9,063</b>	<b>23,022</b>	<b>1,247</b>	<b>20,655</b>	<b>53,987</b>	<b>109</b>	<b>54,096</b>
<b>Changes Jan 1 - Dec 31, 2021</b>							
Total comprehensive income for the period			4,848	14,721	19,568	13	19,581
Result from transaction with owners of non-controlling interest				-78	-78	-82	-160
Dividend, non-controlling interest						-9	-9
<b>Total equity, Dec 31, 2021</b>	<b>9,063</b>	<b>23,022</b>	<b>6,095</b>	<b>35,298</b>	<b>73,477</b>	<b>31</b>	<b>73,508</b>
<b>Changes Jan 1 - Dec 31, 2022</b>							
Total comprehensive income for the period			9,796	-10,785	-988	14	-974
Non-controlling interest through business acquisition						29	29
Result from transaction with owners of non-controlling interest				42	42		42
Dividend, Parent company shareholders				-5,406	-5,406		-5,406
Dividend, non-controlling interest						-7	-7
<b>Total equity, Dec 31, 2022</b>	<b>9,063</b>	<b>23,022</b>	<b>15,891</b>	<b>19,149</b>	<b>67,124</b>	<b>66</b>	<b>67,191</b>

## Consolidated statement of cash flows, in summary

SEK millions	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
<b>BUSINESS OPERATIONS</b>				
<i>Profit from operating activities</i>				
Operating result	-29,501	6,961	-4,355	18,837
<i>Reversal of non-cash items:</i>				
-Depreciation, amortization and write-down of fixed assets	34,160	791	36,695	3,257
-Other non-cash items	-68	97	59	-6
Received and paid interest	-1	-72	-17	-373
Tax paid	-1,313	-644	-5,947	-1,357
Change in working capital	4,921	-1,027	-8,279	-5,485
<b>Cash flow from operating activities</b>	<b>8,198</b>	<b>6,107</b>	<b>18,156</b>	<b>14,873</b>
<b>INVESTING ACTIVITIES</b>				
Investments in intangible and tangible fixed assets	-2,338	-1,826	-4,948	-3,382
Sales of plant and machinery	1,013	1,176	1,537	1,235
Acquisitions, shares and operations	-116	-27	-512	-130
Other investing activities	-12	-3	32	5
<b>Cash flow from investing activities</b>	<b>-1,452</b>	<b>-680</b>	<b>-3,891</b>	<b>-2,271</b>
<b>FINANCING ACTIVITIES</b>				
Dividend, Parent company's shareholders	-	-	-5,406	-
Dividend, non-controlling interest	-	-	-7	-9
Change in loans	-88	-1,426	-2,324	-5,674
Change in financial investments	1,138	-126	1,229	-133
Acquisitions shares, non-controlling interest	-	-30	-	-157
Other financing	-1,950	747	5,785	944
<b>Cash flow from financing activities</b>	<b>-899</b>	<b>-834</b>	<b>-723</b>	<b>-5,029</b>
<b>CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents at beginning of period	17,649	9,594	13,796	7,051
Cash flow for the period	5,846	4,593	13,542	7,572
Translation differences, cash and cash equivalents	1,405	-390	-2,439	-827
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>24,900</b>	<b>13,796</b>	<b>24,900</b>	<b>13,796</b>
Contracted, non-utilized overdraft facilities	10,258	8,605	10,258	8,605
<b>Disposable cash and cash equivalents (incl. non-utilized overdraft facilities)</b>	<b>35,158</b>	<b>22,401</b>	<b>35,158</b>	<b>22,401</b>

## Key figures

	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
Operating margin (%)	-98	25	-3	20
Earnings per share (SEK)	-29.13	5.30	-10.57	14.24
Equity per share (SEK)	65.18	71.35	65.18	71.35
Net debt/equity ratio (%)	-21	-3	-21	-3
Equity ratio (%)	61	66	61	66
Number of shares at end of period (millions)	1,029.8	1,029.8	1,029.8	1,029.8
Number of employees at end of period	14,492	14,235	14,492	14,235

## Notes to the condensed financial report

### Accounting principles

This interim report has been prepared in compliance with IAS 34.

The accounting principles are based on International Financial Reporting Standards as adopted by the EU and ensuing references to Chapter 9 of the Swedish Annual Accounts Act. The accounts of the parent company have been prepared in compliance with RFR 2 and the Swedish Annual Accounts Act.

No material changes in accounting principles have taken place since the Annual Report for 2021.

Since the second quarter of 2022, Türkiye has been classified as a hyperinflationary economy. In accordance with IAS 29, SSAB's subsidiaries in Türkiye have been reported in the Group's consolidated financial statements after revaluation for hyperinflation. The index used is the consumer price index with a base period January 2003. Monetary net loss has been reported as financial expenses in the consolidated statement of profit and loss and amounted SEK 23 million during the fourth quarter.

### Valuation of financial assets and liabilities

In the balance sheet item "Other current receivables" derivatives are valued at a total of SEK 839 (643) million and in the balance sheet item "Other current liabilities" derivatives are valued at a total of SEK 342 (39) million. In the balance sheet item "Financial assets" derivatives are valued at a total of SEK 735 (94) million and in the balance sheet item "Long-term non-interest bearing liabilities", derivatives are included valued at a total of SEK - (1) million.

A write-down of SEK 272 million was made to the investment in Voimaosakeyhtiö SF (Fennovoima power plant) during the first quarter of 2022. An additional write-down of SEK 14 million was made during the third quarter. The investment is reported in the balance sheet item "Financial assets" at a total value of SEK 0 million on December 31, 2022.

Debt reported in the balance sheet item "Long-term interest-bearing liabilities" (including the short-term part) amounted to SEK 8,029 million while their fair value was SEK 7,973 million. Since the loans will be held until maturity, they are not reported at fair value.

The fair value valuation of the financial instruments in SSAB is based on data in accordance with level 2, with the exception of electricity derivatives, where the fair value is based on listed market prices, and which are therefore classified on level 1.

### Information about the business segments

SSAB has been organized into five reportable business segments with a clear profit responsibility. The business segments consist of the three steel divisions: SSAB Special Steels, SSAB Europe and SSAB Americas as well as the fully owned subsidiaries Tibnor and Ruukki Construction. Tibnor and Ruukki Construction are operated as independent subsidiaries. Reportable business segments have not changed during 2022, and their descriptions can be found in the Annual Report 2021.

## Specification of external revenue

The following table describes external revenue by business segments broken down by geographical areas.

### Revenue by business segments, full-year

External revenue Full-year 2022	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
<b>SEK millions</b>						
<b>Geographical areas</b>						
Sweden	720	9,644	-	5,822	1,764	17,949
Finland	418	6,962	-	2,990	1,872	12,242
Other Europe	12,249	21,304	138	7,612	3,216	44,518
USA	7,595	1,626	29,157	0	4	38,381
Rest of the world	11,321	1,684	2,613	25	12	15,655
<b>Total</b>	<b>32,302</b>	<b>41,219</b>	<b>31,908</b>	<b>16,448</b>	<b>6,867</b>	<b>128,745</b>
<b>Product area</b>						
Steel products	31,599	37,683	31,908	-	-	101,189
Trading operations	-	-	-	16,448	-	16,448
Ruukki Construction operations	-	-	-	-	6,867	6,867
Slabs, by-products and scrap	383	3,381	-	-	-	3,765
Other	320	156	-	-	-	475
<b>Total</b>	<b>32,302</b>	<b>41,219</b>	<b>31,908</b>	<b>16,448</b>	<b>6,867</b>	<b>128,745</b>

External revenue Full-year 2021	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
<b>SEK millions</b>						
<b>Geographical areas</b>						
Sweden	596	8,644	-	4,600	1,421	15,261
Finland	320	5,645	-	2,114	1,563	9,642
Other Europe	9,358	17,952	121	5,491	2,995	35,916
USA	4,525	1,083	17,931	0	1	23,540
Rest of the world	7,867	1,130	2,514	14	7	11,532
<b>Total</b>	<b>22,666</b>	<b>34,454</b>	<b>20,566</b>	<b>12,219</b>	<b>5,986</b>	<b>95,891</b>
<b>Product area</b>						
Steel products	22,080	31,889	20,566	-	-	74,535
Trading operations	-	-	-	12,219	-	12,219
Ruukki Construction operations	-	-	-	-	5,986	5,986
Slabs, by-products and scrap	256	2,480	-	-	-	2,736
Other	331	85	0	-	-	415
<b>Total</b>	<b>22,666</b>	<b>34,454</b>	<b>20,566</b>	<b>12,219</b>	<b>5,986</b>	<b>95,891</b>

## External revenue by business segments, the fourth quarter

External revenue Q4 2022	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
<b>SEK millions</b>						
<b>Geographical areas</b>						
Sweden	319	1,962	-	1,407	366	4,053
Finland	-149	1,533	-	658	435	2,477
Other Europe	2,671	5,175	23	1,677	723	10,268
USA	2,019	528	6,923	0	0	9,470
Rest of the world	2,834	463	563	5	5	3,870
<b>Total</b>	<b>7,693</b>	<b>9,661</b>	<b>7,508</b>	<b>3,746</b>	<b>1,529</b>	<b>30,138</b>
<b>Product area</b>						
Steel products	7,486	8,763	7,508	-	-	23,757
Trading operations	-	-	-	3,746	-	3,746
Ruukki Construction operations	-	-	-	-	1,529	1,529
Slabs, by-products and scrap	127	865	-	-	-	992
Other	80	34	-	-	-	113
<b>Total</b>	<b>7,693</b>	<b>9,661</b>	<b>7,508</b>	<b>3,746</b>	<b>1,529</b>	<b>30,138</b>

External revenue Q4 2021	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
<b>SEK millions</b>						
<b>Geographical areas</b>						
Sweden	150	2,407	-	1,320	375	4,252
Finland	93	1,909	-	586	389	2,977
Other Europe	2,668	5,108	39	1,490	749	10,054
USA	1,277	351	5,282	-	0	6,910
Rest of the world	2,093	251	797	3	1	3,144
<b>Total</b>	<b>6,280</b>	<b>10,026</b>	<b>6,118</b>	<b>3,399</b>	<b>1,514</b>	<b>27,337</b>
<b>Product area</b>						
Steel products	6,121	9,238	6,118	-	-	21,477
Trading operations	-	-	-	3,399	-	3,399
Ruukki Construction operations	-	-	-	-	1,514	1,514
Slabs, by-products and scrap	78	769	-	-	-	847
Other	81	20	-	-	-	100
<b>Total</b>	<b>6,280</b>	<b>10,026</b>	<b>6,118</b>	<b>3,399</b>	<b>1,514</b>	<b>27,337</b>



## Alternative performance measures

SSAB has applied the guidelines issued by ESMA (European Securities and Markets Authority) on alternative performance measures (APMs). These performance measures are not defined in accordance with IFRS, but provide complementary information to investors and company management about the company's financial position and development. Besides the definitions below, further definitions can be found in the Annual Report.

### Adjusted operating result

SEK millions	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
Operating result	-29,501	6,961	-4,355	18,837
Items affecting comparability	33,269	-	33,638	-
<b>Adjusted operating result</b>	<b>3,768</b>	<b>6,961</b>	<b>29,283</b>	<b>18,837</b>

### EBITDA and adjusted EBITDA

SEK millions	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
Operating result	-29,501	6,961	-4,355	18,837
Depreciation, amortization and impairment	34,160	791	36,695	3,257
<b>EBITDA</b>	<b>4,659</b>	<b>7,753</b>	<b>32,340</b>	<b>22,094</b>
Items affecting comparability	-22	-	335	-
<b>Adjusted EBITDA</b>	<b>4,637</b>	<b>7,753</b>	<b>32,675</b>	<b>22,094</b>

### Items affecting comparability

SEK millions	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
<u>Operating expenses</u>				
Impairment of goodwill	-33,291	-	-33,291	-
Write-down assets Russia	29	-	-252	-
Write-down assets Ukraine	-7	-	-95	-
<b>Total effect on operating result</b>	<b>-33,269</b>	<b>-</b>	<b>-33,638</b>	<b>-</b>
<u>Financial items</u>				
Write-down investment in Fennovoima (Voimaosakeyhtiö SF)	-3	-	-288	-
<b>Total effect on result before tax</b>	<b>-33,272</b>	<b>-</b>	<b>-33,926</b>	<b>-</b>
<u>Taxes</u>				
Taxes	0	-	-13	-
<b>Total effect on result for the period</b>	<b>-33,272</b>	<b>-</b>	<b>-33,939</b>	<b>-</b>

### Adjusted earnings per share

SEK millions	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
Result for the period to the shareholders of the Parent Company	-29,995	5,458	-10,886	14,662
Items affecting comparability in the result for the period	-33,272	-	-33,939	-
<b>Adjusted result for the period to the shareholders of the Parent</b>	<b>3,277</b>	<b>5,458</b>	<b>23,052</b>	<b>14,662</b>
Average number of shares during the period (millions)	1,029.8	1,029.8	1,029.8	1,029.8
<b>Adjusted earnings per share (SEK)</b>	<b>3.18</b>	<b>5.30</b>	<b>22.38</b>	<b>14.24</b>

## Operating cash flow

	2022	2021	2022	2021
SEK millions	Q4	Q4	Full-year	Full-year
Cash flow from operating activities	8,198	6,107	18,156	14,873
Reversal received and paid interests	1	72	17	373
Reversal tax paid	1,313	644	5,947	1,357
Maintenance capital expenditures 1)	-1,018	-1,023	-2,196	-2,053
Other investing activities 2)	386	679	769	746
<b>Operating cash flow</b>	<b>8,880</b>	<b>6,479</b>	<b>22,693</b>	<b>15,296</b>

1) See the definition of Maintenance capital expenditures in the Annual Report.

2) Other investing activities primarily refer to cash flow from long-term receivables and investments and purchase of emission allowances.

## Return on capital employed, rolling 12 months

	2022	2021
SEK millions	Full-year	Full-year
Operating result	-4,355	18,837
Financial income	3,284	2,095
<b>Total</b>	<b>-1,071</b>	<b>20,932</b>
Average capital employed	100,669	77,975
<b>Return on capital employed before tax, %</b>	<b>-1%</b>	<b>27%</b>

## Return on equity, rolling 12 months

	2022	2021
SEK millions	Full-year	Full-year
Result for the period	-10,877	14,673
Average equity	88,709	62,586
<b>Return on equity after tax, %</b>	<b>-12%</b>	<b>23%</b>

## Net debt/cash

	2022	2021
SEK millions	Full-year	Full-year
Interest-bearing assets 1)	25,347	15,337
Interest-bearing liabilities 2)	11,060	12,991
<b>Net debt (+) / Net cash (-)</b>	<b>-14,287</b>	<b>-2,346</b>

1) Interest-bearing assets primarily refer to long-term and current interest-bearing receivables and investments, together with derivatives and cash and cash equivalents.

2) Interest-bearing liabilities primarily consist of long-term and current interest-bearing debt, pension liability and derivatives.

## Financial information, per quarter

Since July 1, 2021, the steel mill in Mobile in the USA has been part of SSAB Special Steels. To reflect the organizational change, SSAB has restated the historical figures as if the new set-up had taken place on December 31, 2018. These amounts have been restated applying the Group's accounting principles. The new set-up has had no impact on the Group's total financial reports, only on the information about the business segments SSAB Special Steels and SSAB Americas. For further details, go to [www.ssab.com](http://www.ssab.com).

### The Group's adjusted result per quarter

SEK millions	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Revenue	18,772	15,155	14,481	16,988	19,661	23,673	25,220	27,337	31,575	35,516	31,516	30,138
Operating expenses	-17,500	-14,442	-14,543	-15,544	-16,820	-18,779	-18,642	-19,534	-22,381	-24,289	-23,922	-25,505
Depreciation/amort.	-942	-956	-907	-885	-867	-815	-784	-791	-821	-844	-857	-869
Affiliated companies	13	-7	-5	-2	19	4	5	-51	4	12	5	4
Financial items	-123	-114	-102	-138	-106	-101	-111	-103	-101	-136	-20	259
<b>Result before tax</b>	<b>221</b>	<b>-365</b>	<b>-1,075</b>	<b>418</b>	<b>1,887</b>	<b>3,981</b>	<b>5,689</b>	<b>6,859</b>	<b>8,276</b>	<b>10,260</b>	<b>6,722</b>	<b>4,027</b>

### Revenue per quarter and business segment

SEK millions	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
SSAB Special Steels	4,553	3,997	3,581	4,070	5,122	5,845	5,994	6,549	7,907	8,985	8,431	8,343
SSAB Europe	8,139	6,189	6,153	7,472	8,829	10,246	10,789	12,446	12,657	14,357	11,989	11,065
SSAB Americas	3,871	3,211	2,709	3,448	3,644	4,822	6,061	6,153	7,465	8,842	8,302	7,554
Tibnor	2,421	2,037	1,752	2,031	2,656	3,214	3,063	3,443	4,463	4,783	3,594	3,784
Ruukki Construction	1,480	1,439	1,391	1,206	1,122	1,593	1,766	1,518	1,588	2,020	1,739	1,534
Other	-	-	-	-	-	-	-	-	-	-	-	-
Group adjustments	-1,691	-1,718	-1,105	-1,239	-1,713	-2,047	-2,453	-2,773	-2,504	-3,472	-2,539	-2,143
<b>Total</b>	<b>18,772</b>	<b>15,155</b>	<b>14,481</b>	<b>16,988</b>	<b>19,661</b>	<b>23,673</b>	<b>25,220</b>	<b>27,337</b>	<b>31,575</b>	<b>35,516</b>	<b>31,516</b>	<b>30,138</b>

### Adjusted EBITDA, per quarter and business segment

SEK millions	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
SSAB Special Steels	738	758	313	794	1,189	1,390	1,210	1,777	2,350	2,648	2,674	1,649
SSAB Europe	413	-133	-221	496	1,139	1,900	2,912	3,690	3,650	4,476	1,856	189
SSAB Americas	169	59	-348	57	301	1,126	1,926	2,235	3,041	3,563	3,089	2,782
Tibnor	50	65	42	83	252	486	552	390	457	653	-133	-361
Ruukki Construction	55	128	185	116	87	202	270	202	209	263	206	56
Other	-140	-172	-37	-106	-108	-206	-288	-540	-508	-361	-92	323
<b>Total</b>	<b>1,286</b>	<b>705</b>	<b>-66</b>	<b>1,439</b>	<b>2,860</b>	<b>4,899</b>	<b>6,582</b>	<b>7,753</b>	<b>9,198</b>	<b>11,241</b>	<b>7,599</b>	<b>4,637</b>

### Adjusted operating result per quarter and business segment

SEK millions	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
SSAB Special Steels	450	469	34	518	914	1,175	995	1,540	2,104	2,392	2,411	1,386
SSAB Europe	0	-566	-631	83	758	1,512	2,524	3,301	3,250	4,070	1,447	-228
SSAB Americas	115	6	-395	18	258	1,084	1,882	2,188	2,992	3,512	3,036	2,726
Tibnor	12	29	6	48	218	449	515	351	418	613	-176	-403
Ruukki Construction	11	86	145	72	48	162	229	161	163	212	159	2
Depr. surplus values, IPSCO	-25	-20	-16	-18	-19	-17	-17	-18	-19	-20	-21	-22
Depr. surplus values, Rautaruukki	-66	-69	-66	-66	-63	-64	-28	-8	-9	-9	-9	-6
Other	-153	-186	-50	-100	-120	-218	-300	-552	-522	-374	-104	311
<b>Total</b>	<b>343</b>	<b>-251</b>	<b>-973</b>	<b>557</b>	<b>1,993</b>	<b>4,083</b>	<b>5,800</b>	<b>6,961</b>	<b>8,377</b>	<b>10,395</b>	<b>6,742</b>	<b>3,768</b>

## Items affecting comparability in operating result, per quarter and business segment

SEK millions	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
SSAB Special Steels	-	-	-	-	-	-	-	-	-141	-5	-149	-18,124
SSAB Europe	-	-	-	-	-	-	-	-	-25	-1	1	-2,201
SSAB Americas	-	-	-	-	-	-	-	-	-	-	-	-12,401
Tibnor	-	-	-	-	-	-	-	-	-	-	-	-542
Ruukki Construction	-	-	-	-	-	-	-	-	-49	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	<b>-215</b>	<b>-6</b>	<b>-148</b>	<b>-33,269</b>

Items affecting comparability during the fourth quarter of 2022 relate mainly to impairment of goodwill.

## Production and shipments

Thousand tonnes	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
<b>Crude steel production</b>												
SSAB Special Steels	639	608	415	645	648	649	469	545	630	634	592	453
SSAB Europe	1,130	872	837	1,207	1,157	1,204	1,080	1,193	889	1,049	1,068	905
SSAB Americas	312	299	267	304	297	315	293	328	232	303	256	283
<b>Total</b>	<b>2,081</b>	<b>1,779</b>	<b>1,519</b>	<b>2,156</b>	<b>2,103</b>	<b>2,168</b>	<b>1,842</b>	<b>2,066</b>	<b>1,751</b>	<b>1,985</b>	<b>1,916</b>	<b>1,641</b>
<b>Rolling production</b>												
SSAB Special Steels	465	455	336	430	456	466	395	351	419	460	430	358
SSAB Europe	1,190	836	864	1,220	1,207	1,290	1,081	1,163	1,065	1,093	1,010	873
SSAB Americas	300	282	238	321	272	294	291	303	233	282	232	273
<b>Total</b>	<b>1,955</b>	<b>1,573</b>	<b>1,438</b>	<b>1,970</b>	<b>1,935</b>	<b>2,050</b>	<b>1,766</b>	<b>1,818</b>	<b>1,716</b>	<b>1,835</b>	<b>1,672</b>	<b>1,505</b>
<b>Steel shipments</b>												
SSAB Special Steels	305	266	259	297	376	388	348	350	381	396	336	305
SSAB Europe	955	695	751	913	980	980	795	832	844	838	713	778
SSAB Americas	527	460	462	569	480	494	484	413	438	476	416	418
<b>Total</b>	<b>1,787</b>	<b>1,422</b>	<b>1,472</b>	<b>1,779</b>	<b>1,837</b>	<b>1,861</b>	<b>1,627</b>	<b>1,595</b>	<b>1,664</b>	<b>1,711</b>	<b>1,465</b>	<b>1,502</b>

## Sensitivity analysis

The approximate full-year effect on result before tax and earnings per share of changes in significant factors is shown in the sensitivity analysis below.

<b>% change</b>	<b>Change %</b>	<b>Effect on result before tax, SEK millions</b>	<b>Effect on earnings per share, SEK 2)</b>	<b>Effect on equity, SEK millions 2)</b>
Steel price - steel operations	+/- 10	+/-10,630	+/-8.06	+/-8,302
Volume - steel operations 1)	+/- 10	+/-3,800	+/-2.88	+/-2,968
Iron ore prices	+/- 10	+/-1,170	+/-0.89	+/-914
Coal prices	+/- 10	+/-830	+/-0.63	+/-648
Scrap metal prices	+/- 10	+/-1,220	+/-0.93	+/-953
Interest rate	+/- 1	+/-160	+/-0.12	+/-125
Krona index 3)	+/- 5	+/-1,740	+/-1.32	+/-1,359

1. Excluding the effect of lower capacity utilization (underabsorption).
2. Calculated based on tax at 20.6%
3. Calculated on SSAB's exposure without currency hedging. Any weakening of the Swedish krona entails a positive effect.

## Financial reports – The Parent Company

### Parent Company's statement of profit and loss, in summary

SEK millions	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
Gross profit	-	-	-	-
Selling and administrative costs	-171	-147	-485	-464
Other operating income/expenses	105	83	274	248
<b>Operating result</b>	<b>-67</b>	<b>-64</b>	<b>-210</b>	<b>-216</b>
Financial items	17,089	-10	16,972	-225
<b>Result after financial items</b>	<b>17,022</b>	<b>-74</b>	<b>16,762</b>	<b>-441</b>
Appropriations	-	983	-	833
<b>Result before tax</b>	<b>17,022</b>	<b>909</b>	<b>16,762</b>	<b>392</b>
Tax	-114	-241	-60	-140
<b>Result for the period</b>	<b>16,908</b>	<b>668</b>	<b>16,702</b>	<b>252</b>

### Parent company's statement of comprehensive income

SEK millions	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
<b>Result for the period</b>	<b>16,908</b>	<b>668</b>	<b>16,702</b>	<b>252</b>
<i>Other comprehensive income</i>				
<b>Items that may be classified to the income statement</b>				
Cash flow hedges	-7	16	116	22
Tax attributable to other comprehensive income	1	-3	-24	-5
<b>Total items that will be reclassified to the income statement</b>	<b>-6</b>	<b>12</b>	<b>92</b>	<b>18</b>
<b>Other comprehensive income, net after tax</b>	<b>-6</b>	<b>12</b>	<b>92</b>	<b>18</b>
<b>Total comprehensive income for the period</b>	<b>16,903</b>	<b>680</b>	<b>16,794</b>	<b>269</b>

### Parent Company's statement of financial position, in summary

SEK millions	2022 Dec 31	2021 Dec 31
<b>Assets</b>		
Fixed assets	71,929	72,358
Other current assets	9,782	8,728
Cash and cash equivalents	23,026	12,031
<b>Total assets</b>	<b>104,738</b>	<b>93,117</b>
<b>Equity and liabilities</b>		
Restricted equity	9,964	9,964
Unrestricted equity	65,603	54,216
<b>Total equity</b>	<b>75,567</b>	<b>64,180</b>
Non-current liabilities and provisions	4,612	6,605
Current liabilities and provisions	24,559	22,332
<b>Total equity and liabilities</b>	<b>104,738</b>	<b>93,117</b>

This report has been published in Swedish and English. In the event of any differences between the English translation and the Swedish original, the Swedish report shall prevail.

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**Interim report for January-March 2023**

The interim report for the first quarter of 2023 will be published on April 26, 2023.



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